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Florida Fluid Milk Report

Upper Florida Marketing Area
Federal Order No. 6
Tampa Bay Marketing Area
Federal Order No. 12
Southeastern Florida Marketing Area
Federal Order No. 13

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July 1981

Market Summary

UPPER FLORIDA

Receipts of producer milk at pool plants regulated under Order No. 6 during June 1981 totaled 52.9 million pounds, of which 47.9 million pounds, or 90.44 percent were classified as Class I.

Comparisons with the previous month and year are not being made because there have been frequent plant shifts between Orders 6 and 12 which have distorted individual market statistics.

The uniform price to producers during the month was $15.25 per cwt. -- up 16 cents from May and $1.04 above June 1980.

TAMPA BAY

Producers delivered 58.2 million pounds of milk to pool plants regulated under Federal Order No. 12 during June.

Producer milk classified as Class I milk, as used in the computation of the uniform price to producers, totaled 53.0 million pounds. Class I milk was 91.10 percent of the total producer milk.

Comparisons with the previous month and year are not being made because there have been frequent plant shifts between Orders 6 and 12 which have distorted individual market statistics.

The uniform price per cwt. for June milk was $15.38, an increase of 16 cents from the previous month and $1.11 more than June of last year.

SOUTHEASTERN FLORIDA

Receipts of producer milk at pool plants regulated under Federal (Continued on page 6)

Dairy Situation and Outlook

Milk production will probably rise from year-earlier levels through this summer and into late fall. Commercial use of dairy products, which has been weak, is expected to improve. However, wholesale dairy product prices will likely show little seasonal rise during the rest of this year. If supports are raised on October 1, wholesale prices would increase. Farm and retail prices during 1981 are expected to average slightly less than a tenth above a year ago.

Milk production for the first 5 months of 1981 was up 4.3 percent (adjusted for last year's extra day). May marked the 25th straight month that milk production exceeded year-ago levels, the result of 70,000 more milk cows and a 30-pound increase in output per cow. Because the support price was not raised on April 1, and because of uncertainty about the support level this fall, culling of marginal cows may increase. However, with the large number of replacements available, the herd will likely remain near present levels, but be below year-ago numbers by yearend.

With little if any improvement in the milk-feed price relationship expected during the third quarter, and only some seasonal improvement likely in the fourth, concentrates fed and gains in output per cow could be limited during the second half of the year. Milk production for all of 1981 will likely be up 2 to 4 percent from the 128.4 billion pounds in 1980.

Prices paid to dairy farmers have declined since January, reflecting large supplies and the seasonal decline in fat content. From January to May, the manufacturing grade milk price decreased (Continued on page 7)

Computation of the Uniform Prices for Producer Milk

June 1981

	Order 6		Order 12		Order 13	
	% OF TOTAL	PRODUCT POUNDS	%OF TOTAL	PRODUCT POUNDS	% OF TOTAL	PRODUCT POUNDS
CLASS I MILK	90.44	47,878,998	91.10	52,976,374	93.06	55,394,395
CLASS II MILK	9.56	5,060,576	8.90	5,178,133	6.94	4,129,676
CLASS III MILK					-	-
TOTAL PRODUCER MILK	100.00	52,939,574	100.00	58,154,507	100.00	59,524,071
OTHER SOURCE MILK		125,201		-		-
TOTAL MILK		53,064,775		58,154,507		59,524,071
		Value		Value		Value
CLASS I MILK		$7,416,456.79		$8,259,016.71		$8,746,774.97
CLASS II MILK		644,717.38		659,694.14		526,120.72
CLASS III MILK						-
TOTAL		$8,061,174.17		$8,918,710.85		$9,272,895.69
ADJUSTMENTS:						
HANDLERS' LOCATION ADJ.		19,602.66		(963.00)		-
OVERAGE		9,108.16		535.67		-
BULK INVENTORY		6,291.34		12,375.36		2,120.79
PACKAGED INVENTORY		(1,609.33)		(1,113.71)		(1,312.85)
OTHER SOURCE RECEIPTS		19,393.63		-		-
TOTAL VALUE TO HANDLERS		$8,113,960.63		$8,929,545.17		$9,273,703.63
LOCATION ADJUSTMENTS		(19,647.82)		2,068.94		4,064.07
FROM PRODUCER SETTLEMENT FUND		22,879.57		38,507.32		28,684.47
TOTAL VALUE OF MILK		$8,117,192.38		$8,970,121.43		$9,306,452.17
RESERVE		(24,814.19)		(25,958.25)		(26,649.50)
VALUE AT UNIFORM PRICE		$8,092,378.19		$8,944,163.18		$9,279,802.67
UNIFORM PRICE		$ 15.25*		$ 15.38		$ 15.59
BUTTERFAT DIFF'L		$ 0.170		$ 0.170		$ 0.170
AVERAGE BUTTERFAT TEST		3.3502%		3.3587%		3.2888%

* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

U.S. Milk Production and Prices

JUNE MILK PRODUCTION 3% ABOVE LAST YEAR

Milk production during June totaled 11.6 billion pounds, (5.27 million metric tons), 3 percent more than June 1980.

Accumulated milk production for the first half of 1981 totaled 67.5 billion pounds, (30.6 million metric tons), compared with 65.2 billion pounds, (29.6 million metric tons), during the first half of 1980.

Production per cow averaged 1069 pounds, 21 pounds above a year earlier and 46 pounds more than June 1979.

Total milk cows averaged 10.9 million head, 1 percent above a year ago and 2 percent above June 1979.

Reprinted from "MILK PRODUCTION, Crop Reporting Board, U.S.D.A., July 17, 1981.

DAIRY PRODUCTS JUNE 1981*

BUTTER

May butter production was 116 million pounds -- down less than 1% from April 1981 and May 1980.

AMERICAN CHEESE

Production totaled 253 million pounds, 7% above April and 9% above May last year.

TOTAL CHEESE OUTPUT

Excluding cottage cheese, production was 387 million pounds, 4% above the previous month and 7% above May 1980.

OTHER PRODUCTS

Following are changes in May production compared to a year ago:

CREAMED COTTAGE CHEESE	- down 9%
LOWFAT COTTAGE CHEESE	- up 3%
ICE CREAM	- down 1%
ICE MILK	- down 2%
SHERBET	- up 7%
DRY WHOLE MILK	- up 39%
DRY BUTTERMILK	- down 22%
NONFAT DRY MILK (human use)	- unchanged

* Reprinted from "DAIRY PRODUCTS", Crop Reporting Board, U.S.D.A., July 1, 1981.

PRICES RECEIVED INDEX DOWN 1 POINT PRICES PAID INDEX UP 1 POINT

The June Index of Prices Received by Farmers decreased 1 point (.7 percent) from May to 141 percent of its January-December 1977 average, according to the Crop Reporting Board. Contributing most to the decrease since May were lower prices for wheat, soybeans, corn, hay, and lettuce. Higher prices for hogs, tomatoes, potatoes, broilers, and turkeys were partially offsetting. The Index was 14 points (11 percent) above a year ago.

The Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates for June was 151 (1977=100), up 1 point (.7 percent) from May. Higher prices for farm equipment and family living items were partially offset by lower feed and fuel prices. The June Index was 14 points (10 percent) higher than a year earlier.

The Ratio of the Index of Prices Received to the Index of Prices Paid, Including Interest, Taxes, and Farm Wage Rates was 93 for the month of June 1981. The Ratio was down 2 points from the previous month and unchanged from the same period a year ago.

JUNE MILK-FEED PRICE RATIO*	1981	1980
United States	$ 1.36	$ 1.53
Florida	$ 1.68	$ 1.80

* 16 percent dairy feed.

Reprinted from "AGRICULTURAL PRICES", issued June 30, 1981, by the Crop Reporting Board, U. S. D. A.

Producer Prices in Selected Federal Order Markets

(dollars per cwt. for 3.5 milk)

Market	Class I Prices (JULY)	Class I Prices (JUNE)	Uniform Prices 1/ (JUNE)
Tennessee Valley	$ 14.71	$ 14.74	$ 14.17
Louisville	14.31	14.34	13.56
Chicago Regional	13.87	13.90	13.06
Georgia	14.91	14.94	14.46
Memphis	14.55	14.58	14.27
Nashville	14.46	14.49	13.60
New Orleans-Mississippi	15.46	15.49	14.63
Tampa Bay	15.56	15.59	15.38
Southeastern Florida	15.76	15.79	15.59
Upper Florida	15.46	15.49	15.25

1/ Or weighted average of base and excess prices.

Utilization and Class at Pool

Southeastern Florida
Order No. 13

	JUNE 1981 (Pounds)	JUNE 1981 (B.F. Lbs.)	JUNE 1980 (Pounds)	JUNE 1980 (B.F. Lbs.)	(Pounds)
Class I Milk					
Whole Milk	38,521,546	1,286,129	40,613,282	1,364,221	35,86
Skim Milk and Lowfat Milk	15,352,018	198,889	15,608,623	200,824	16,07
Flavored Milk and Milk Drinks	1,866,412	41,537	1,890,950	41,687	1,66
Buttermilk	551,525	7,731	560,241	7,350	80
Total Packaged Class I Disposition	56,291,501	1,534,286	58,673,096	1,614,082	54,41
In the Area	(54,090,250)	(1,482,519)	(55,654,601)	(1,534,689)	(38,45
Out of the Area	(2,201,251)	(51,767)	(3,018,495)	(79,393)	(15,95
Transfers to Nonpool Plants	-	-	-	-	5
Total Class I Disposition	56,291,501	1,534,286	58,673,096	1,614,082	54,46
Closing Inventory (Packaged)	3,221,213	86,725	3,402,950	90,959	3,24
Unaccounted for Milk	201,954	11,323	197,347	10,921	15
Total Class I Milk	59,714,668	1,632,334	62,273,393	1,715,962	57,87
Percent Change from Last Year	-4.1		-1.1		+2
Less Nonpool Receipts 1/	4,320,273	113,169	5,080,500	133,867	4,89
PRODUCER MILK IN CLASS I	55,394,395	1,519,165	57,192,893	1,582,095	52,97
Class II Milk					
Half & Half	919,674	96,820	856,772	90,260	2
Light Cream	18,302	3,328	18,430	3,349	1
Heavy Cream	63,166	22,589	54,978	19,575	4
Frozen Desserts	1,889,042	134,849	2,074,090	132,543	2,5
Other Class II Products	987,144	12,247	1,003,788	12,229	2,5
Total Class II Products	3,877,328	269,833	4,008,058	257,956	5,4
Transfers to Nonpool Plants	2,440,321	291,986	883,778	293,586	2,7
Closing Inventory (Packaged)	114,390	15,489	122,373	17,147	
Closing Inventory (Bulk)	689,348	53,847	1,091,563	63,532	2,1
Shrinkage	691,514	24,890	933,522	31,956	9
Total Class II Milk	7,812,901	656,045	7,039,294	664,177	11,4
Percent Change from Last Year	+11.0		+8.1		+1
Less Nonpool Receipts 1/	3,683,225	217,560	2,846,596	162,670	6,2
PRODUCER MILK IN CLASS II	4,129,676	438,485	4,192,698	501,507	5,1
PRODUCER MILK IN CLASS III					
Producer Milk All Classes	59,524,071	1,957,650	61,385,591	2,083,602	58,1
Average Butterfat Test	3.29%		3.39%		

1/ Includes, whenever applicable, receipts of other source milk in any form, beginning inventory, and overage.

Classification of Milk Pool Plants

Tampa Bay Order No. 12				Upper Florida Order No. 6			
NE 1981		JUNE 1980		JUNE 1981		JUNE 1980	
(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)
61	1,172,494	28,374,593	931,920	34,666,702	1,125,469	36,067,564	1,176,400
56	169,515	11,763,777	128,860	10,334,993	115,519	10,303,317	123,802
48	19,924	1,479,977	19,003	2,377,441	40,296	2,165,288	43,638
61	10,468	787,208	8,861	1,228,868	9,320	1,158,027	7,686
26	1,372,401	42,405,555	1,088,644	48,608,004	1,290,604	49,694,196	1,351,526
88)	(968,495)	(35,362,709)	(903,341)	(37,633,359)	(993,858)	(38,902,690)	(1,052,874)
38)	(403,906)	(7,042,846)	(185,303)	(10,974,645)	(296,746)	(10,791,506)	(298,652)
00	1,478	-	-	637,863	17,861	2,719,772	72,915
26	1,373,879	42,405,555	1,088,644	49,245,867	1,308,465	52,413,968	1,424,441
73	79,647	2,407,499	58,967	3,988,401	102,883	3,944,921	101,134
16	22,754	317,242	23,831	85,283	11,416	78,305	25,594
15	1,476,280	45,130,296	1,171,442	53,319,551	1,422,764	56,437,194	1,551,169
		+5.7		-3.5		-4.9	
41	109,031	3,425,924	82,086	5,440,553	131,660	4,212,192	106,664
74	1,367,249	41,704,372	1,089,356	47,878,998	1,291,104	52,225,002	1,444,505
13	31,757	301,694	31,883	579,394	61,737	518,130	55,436
09	2,259	11,966	2,124	11,499	2,070	11,761	2,116
37	17,646	36,734	12,934	125,850	45,773	71,306	25,725
15	286,941	2,071,986	230,604	5,226,660	370,106	5,533,769	377,608
92	100,545	2,092,879	71,290	785,941	7,057	931,486	8,254
66	439,148	4,515,259	348,835	6,729,344	486,743	7,066,452	469,139
20	433,739	2,980,731	353,203	2,120,728	223,168	3,651,917	278,705
97	13,381	81,142	12,507	112,792	18,466	116,471	17,114
27	97,668	1,998,880	97,547	2,161,722	111,073	2,294,556	112,671
13	34,331	695,800	28,143	626,863	19,554	682,251	27,391
23	1,018,267	10,271,812	840,235	11,751,449	859,004	13,811,647	905,020
		-12.2		-14.9		+15.3	
90	432,267	3,775,244	300,515	6,690,873	376,516	6,319,128	338,692
33	586,000	6,496,568	539,720	5,060,576	482,488	7,492,519	566,328
07	1,953,249	48,200,940	1,629,076	52,939,574	1,773,592	59,717,521	2,010,833
3.36%		3.38%		3.35%		3.37%	

Market Summary

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Order No. 13 totaled 59.5 million pounds of milk during June 1981. Compared to the previous month, receipts of producer milk were down 7.9 million pounds and 1.9 million pounds below June 1980.

In the June equalization pool, 55.4 million pounds of producer milk was classified as Class I, which was down 3.9 million pounds from last month, and was 1.8 million pounds less than June 1980.

Class I milk was 93.06 percent of the total during June compared to 87.93 percent the previous month and 93.17 percent during June of the previous year.

The uniform price to producers under Order No. 13 for June milk was $15.59 per cwt. The uniform price was up 11 cents from May and was 96 cents more than June 1981.

PRODUCER SUMMARY

Under the three Florida milk orders, 438 producers delivered 170.6 million pounds of milk to pool plants. This compared to 438 producers and 196.2 million pounds during the previous month and 425 producers and 169.3 million pounds during June 1980. Producer milk deliveries in June were down 13.1 percent from May and were 0.8 percent more than last year.

The average milk delivery per producer was 12,768 pounds per day for all producers delivering to plants under Federal Orders 6, 12, and 13. The average daily delivery per producer was 8,970 pounds under Order No. 6; 10,531 pounds under Order No. 12, and 30, 698 pounds under Order No. 13.

HEARING HELD ON FLORIDA ORDERS

A public hearing was held at Orlando, Florida, on July 14 which considered a proposal to change the classification of eggnog from Class I to Class II. August 3 was set as the deadline for the filing of briefs on this issue. The next formal step in the proceeding will be the issuance of a recommended decision by the Department of Agriculture.

Three Market Statistical Summary

June

MILK RECEIPTS	1981	1980
Producer Receipts	170,618,152	169,304,052
Other Source Milk	31,302,755	25,659,584
TOTAL	201,920,907	194,963,636
CLASSIFICATION OF MILK		
TOTAL MILK		
Class I	170,905,734	163,840,883
Class II	31,015,173	31,122,753
Class III*	-	-
PRODUCER MILK		
Class I	156,249,767	151,122,267
Class II	14,368,385	18,181,785
Class III*	-	-
PRODUCER MILK IN CLASS I - %	91.58%	89.26%
NUMBER OF PRODUCERS - Total	586	537
Regular**	438	425

Note: * Order 13. only.

** Adjusted to eliminate duplication in the case of producers delivering to more than one Federal Order Market.

Manufactured Dairy Product Prices (cents per pound)

Month	Butter (92-Score Chicago)	Nonfat Dry Milk (Spray Process, Chicago Area)	Cheddar Cheese (Wis. Assembling Points, 40 lb. Blocks)
1980			
June	138.95	89.17	130.86
July	139.31	89.29	130.82
Aug.	144.46	89.17	132.55
Sept.	145.07	89.26	132.55
Oct.	147.06	91.89	141.18
Nov.	147.60	93.33	140.50
Dec.	147.71	93.63	140.07
1981			
Jan.	147.25	93.73	139.32
Feb.	147.25	93.50	139.25
Mar.	147.25	93.44	138.75
Apr.	147.25	93.48	139.16
May	147.31	93.62	138.82
June	147.50	93.55	139.25
1979 Avg.	122.43	79.55	138.75
1980 Avg.	139.34	88.64	132.68

Disposition of Packaged Class I Milk Products Inside the Marketing Area

	JUNE 1981 Pounds	JUNE 1980 Pounds	PERCENT CHANGE Actual	Adjusted
ORDER 6	52,371,559	49,065,452	+6.7	+2.9
ORDER 12	46,532,758	43,056,507	+8.1	+4.1
ORDER 13	60,939,858	57,961,155	+5.1	+1.7
3 MARKET TOTAL	159,844,175	150,083,114	+6.5	+2.8

NOTE: The data shown herein include products disposed of by producer-handlers, non-pool distributing plants and other order plants as well as pool plants.

The quantities shown are actual pounds. The adjusted percentages elimioate variation in sales due to calendar composition.

Number of Plants and Handlers
June 1981

	ORDER 6	ORDER 12	ORDER 13
Total No. of Handlers	29	14	18
Distributing Plants	8	7	7
Supply Plants	1	1	0
Part. Reg. Dist. Plants	4	0	0
Other Order Plants	11	2	9
Producer-Handlers	1	0	0
Coop. Ass'ns as Handlers	4	4	2

Outlook*

From page 1

40 cents; however, after adjusting for fat test it was unchanged, but 32 cents below the established support level ($13.10 per cwt. at 3.67 percent fat, or $12.80 with 3.5 percent fat). The all milk price in 1981 is expected to average 7 to 9 percent above the $13.00 reported for 1980.

Cash receipts during the first 5 months of 1981 rose an estimated 12 percent from the same period in 1980. During all of 1980, a 4.3-percent gain in marketings and a 8.6-percent increase in the average returns per cwt. pushed cash receipts from farm milk marketings to $16.58 billion, up 13 percent from 1979. Dairy farm marketings reached a record 126 billion pounds in 1980; marketings of Grade A milk, (eligible for the fluid market) accounted for 85 percent of the total.

Wholesale prices of butter, American cheese, and non-fat dry milk have remained mostly unchanged from mid-October to mid-June, reflecting the combined effects of the foregone April 1 support price increase, large commercial stocks, weak consumer use, and expanded milk production. The mid-June prices were slightly below the USDA support purchase prices.

With milk and dairy products likely to be in abundant supply during the coming months, year-to-year price gains at retail may abate somewhat this summer. For the year, retail dairy prices are expected to average 8 to 10 percent higher, compared with a likely increase of around 10 percent in the all food price index.

Butter production during January-April was up about 11 percent from a year ago and the highest output for that period since 1965. American cheese production for the first 4 months was up about 14 percent. About 8 percent more milk was used to produce manufactured dairy products during January-April than a year ago. For all of 1980, manufactured dairy products took a record 74.1 billion pounds of milk.

During January-March, commercial disappearance of dairy products on a daily average basis, decreased dramatically -- down 5 percent. With April use up about 6 percent from April 1980, disappearance during April-June should be above last year's weak second quarter. In addition, use should increase this summer, as an expected slowing in retail price gains combined with a likely improvement in consumer incomes and higher meat prices will probably make dairy products relatively more attractive. On balance, use should be up less than 1 percent in 1981.

* Reprinted from "Dairy-Outlook & Situation". USDA, June 1981.

Minimum Order Prices (Per Cwt. for 3.5 Milk)

Month and Year	Basic Formula Price		Upper Fla.* (Order No. 6)		Tampa Bay (Order No. 12)		S.E. Fla. (Order No. 13)	
	a/	b/	Class I	Uniform	Class I	Uniform	Class I	Uniform
1980								
June	$11.68	$11.68	$14.53	$14.21	$14.63	$14.27	$14.83	$14.63
July	11.73	11.66	14.51	14.32	14.61	14.35	14.81	14.59
Aug.	11.86	11.68	14.53	14.31	14.63	14.46	14.83	14.68
Sept.	12.07	11.73	14.58	14.48	14.68	14.56	14.88	14.76
Oct.	12.42	11.86	14.71	14.57	14.81	14.63	15.01	14.85
Nov.	12.52	12.07	14.92	14.72	15.02	14.80	15.22	15.04
Dec.	12.61	12.42	15.27	15.10	15.37	15.28	15.57	15.45
1981								
Jan.	12.64	12.52	15.37	15.20	15.47	15.27	15.67	15.50
Feb.	12.66	12.61	15.46	15.18	15.56	15.35	15.76	15.59
Mar.	12.67	12.64	15.49	15.10	15.59	15.30	15.79	15.52
Apr.	12.64	12.66	15.51	15.00	15.61	15.26	15.81	15.49
May	12.61	12.67	15.52	15.09	15.62	15.22	15.82	15.48
June	12.59	12.64	15.49	15.25	15.59	15.38	15.79	15.59
1979 Avg.	10.91	10.77	13.62	13.46	13.72	13.49	13.92	13.75
1980 Avg.	11.88	11.67	14.52	14.29	14.62	14.40	14.82	14.65

a/ As reported for the month.
b/ Used in the computation of Class I prices for the month.
* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

Number of Producers and Average Daily Delivery per Producer

Month and Year	Upper Florida		Tampa Bay		Southeastern Fla.	
	No. of Producers 1/	Avg. Daily Delivery	No. of Producers 1/	Avg. Daily Delivery	No. of Producers 1/	Avg. Daily Delivery
		(pounds)		(pounds)		(pounds)
June '80	218	9,290	141	10,805	66	30,419
July	237	7,925	133	10,198	66	28,468
Aug.	247	8,198	124	9,550	66	27,718
Sept.	236	8,335	132	9,807	66	27,779
Oct.	236	8,861	140	10,423	69	27,917
Nov.	210	9,816	156	9,828	69	29,500
Dec.	207	9,644	159	11,499	69	32,112
Jan. '81	142	9,859	223	11,642	70	32,142
Feb.	137	10,337	229	12,441	66	34,979
Mar.	138	10,812	225	13,056	66	35,647
Apr.	138	10,688	227	12,713	65	35,714
May	144	9,655	229	12,059	65	34,005
June	207	8,970	168	10,531	63	30,698

1/ Adjusted to exclude producers who delivered less milk to plants pooled under this Order than to plants pooled under another Federal Order.

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